

PROGRAM: WIC

DATE: **Revised** October 1, 1992

SUBJECT: VENDOR ADMINISTRATIVE POLICY NO.: FD: 30.1  
DISQUALIFICATION/  
TERMINATION

REF.: FED. REG. , 7 CFR PART 246.12

### POLICY

The State Agency (SA) may disqualify a vendor from program participation prior to the expiration of the vendor's agreement for administrative reasons. Administrative disqualification means the vendor is ineligible to redeem food vouchers during the contract period exclusive of reasons for abuse.

The SA will terminate a vendor's agreement for failure to comply with the agreement provisions of redeeming a WIC formula voucher only for the designated formula prescribed on the food voucher and/or not furnishing purchase invoices to the SA within 60 calendar days of written request. Administrative termination means a vendor's agreement becomes null and void.

### PURPOSE

To provide a mechanism for the SA to disqualify/terminate participating vendors who no longer meet program qualification criteria and/or fail to comply with provisions of their vendor agreement.

### PROCEDURE

- I. At least once every two years, the SA will assess and review all vendors' qualifications to assure their qualifications are still meeting the program's goals. Criteria utilized in this determination includes, but is not limited to, the following:
  - A. Competitive Prices for Local Agency Area - A vendor shall be considered to have competitive prices if the vendor's standard food package costs for a woman/child and/or an infant do not exceed 108% of the LA food package averages for the vendor's WIC volume band. If a vendor's prices are determined non-competitive for the LA area, the vendor's continued participation may still be approved if the SA determines denial would cause a hardship to WIC participants.
  - B. Number of Retail Outlets per WIC client Service Area - An appropriate number and distribution of food vendors shall be authorized to assure adequate participant convenience and access and to assure that State or Local officials can effectively manage review of authorized food vendors in their jurisdiction.

- C. Volume of WIC Sales - The vendor's volume of WIC sales exceeds \$150.00 a month. If a vendor's monthly WIC volume is \$150.00 or less, the vendor's continued participation may still be approved if the SA determines denial would cause a hardship to WIC participants.
  - D. Previous Compliance with WIC Program Procedures, Policies, and Regulations - The vendor has satisfactorily complied with food card redemption and submission procedures, policies, and regulations.
- II. A vendor's agreement will be terminated in the event the vendor fails to redeem a WIC formula voucher only for the designated formula prescribed on the food voucher; and/or fails to submit to the SA purchase invoices within 60 calendar days of request. The SA will not negotiate nor accept a civil monetary penalty in lieu of termination.
  - A. A vendor may not reapply for participation until at least six months after the effective date of termination.
  - B. In the event a vendor's agreement was terminated for failure to submit purchase invoices, the vendor's reauthorization will not be considered until the purchase invoices are submitted for audit.
- III. Termination for abuse identified during one contract period can be imposed in a subsequent contract period, provided the vendor is notified in writing at least fifteen (15) days prior to the termination date.
- IV. A vendor that is administratively disqualified/terminated will be given at least fifteen days prior notice before the disqualification/termination becomes effective. Policy No. GA: 05.0 allows vendors to formally appeal any adverse action affecting participation with the exception of the expiration of a contract or agreement. The expiration of contract/agreement is specifically excluded from the definition of an adverse action by USDA. The affected vendor shall provide the SA with a written request for a hearing within fifteen days of the receipt of the denial. The request shall, at a minimum, describe the action that is being appealed.
- V. In lieu of administrative disqualification/termination, the SA will allow a vendor's agreement to expire, and not be renewed, if the vendor no longer meets program qualification criteria and/or has developed a history of noncompliance with provisions in the vendor agreement, WIC Program procedures, policies, and/or regulations. Expiration of the vendor agreement is not subject to appeal.